

MEMORANDUM OF CONVERSATION

February 28, 1989

TO: See Distribution

FROM: ANE/AF, Jeff Malick

SUBJECT: Afghanistan: Meeting with World Bank Officials

Participants: A.I.D.
Jeff Malick, ANE/AF
Meredith Scovill, ANE/DP

World Bank
Tejinder Minhas, Country Officer
Gabriel Sciolli, Economist

Purpose: To inform World Bank officials on current A.I.D. strategy, programs, and plans for Afghanistan

Points Made:

A.I.D.

- This was the third in a series of information sharing meetings (within the past year) between A.I.D. and the World Bank, to provide an update on A.I.D. programs and plans and to learn of current Bank thinking and posture toward Afghanistan.
- Provided an overview of the history of the A.I.D. cross-border humanitarian assistance (CBHA) program, its current strategy, priorities, and funding levels. (Left behind copies of the A.I.D. transition strategy, FY 89 Congressional Presentation, and the health, education, and agriculture sector assessments, with appropriate caveats on their use).

World Bank (WB)

- Welcomed information sharing sessions; WB acknowledged that it is receiving more from A.I.D. than is able to provide.

Doc 16

- Bank officials are informed of assistance plans for Afghanistan through reports from the UN Coordinator and invitations to attend last two pledging sessions.
- No current plans exist to mount an assistance program for Afghanistan. Reasons: no responsive government in place that is stable, can sign agreements, and can assure the security/safety of Bank officials to travel throughout the country.
- Some thinking and writing (Position Paper) is underway to understand the extent of war damage to production capacity and infrastructure.
- Afghanistan is not presently included in replenishment discussions in IDA 9. Consequently, if the Bank reestablishes a program there, funds from the regular IDA budget would have to be reprogrammed from other countries/regions. In addition, WB could utilize its emergency aid funding to respond to a disaster type situation.
- Under the most optimistic of scenarios, WB can get program started within 6-8 months emphasizing quick disbursing activities such as import credits and program lending. WB would also be interested in stimulating the private sector and in assistance to the social sectors (agriculture, health, rural development).

In closing, we agreed on the utility of these meetings and to share written materials as they become available.

Clearance:

M. Scovill, ANE/DP (draft)

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